

AMENDED IN ASSEMBLY AUGUST 9, 2006

AMENDED IN ASSEMBLY JUNE 29, 2006

AMENDED IN ASSEMBLY JUNE 26, 2006

AMENDED IN ASSEMBLY JUNE 28, 2005

AMENDED IN SENATE MAY 27, 2005

**SENATE BILL**

**No. 175**

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**Introduced by Senator Vincent**

February 9, 2005

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An act to ~~amend Sections 19962 and 19963 of, and to add Section 19858.5 to;~~ the Business and Professions Code, relating to gaming.

LEGISLATIVE COUNSEL'S DIGEST

SB 175, as amended, Vincent. Gambling Control Act: licenses.

The Gambling Control Act provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Division of Gambling Control within the Department of Justice. Under that act, a person is deemed unsuitable to hold a state gambling license, a requirement for owning a gambling establishment, if that person, or any partner, officer, director, or shareholder of that person, has a financial interest in a business or organization engaged in any form of prohibited gambling, as specified.

This bill would revise that provision by authorizing the commission to grant a license to an applicant to own gambling establishments, even if the applicant has a financial interest in another business

conducting lawful gambling outside of California that would violate California law if conducted within the state, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. It is the intent of the Legislature to permit an  
2 owner of a gambling establishment to have a financial interest in  
3 another lawful gambling business inside or outside California,  
4 provided that if that owner's financial interest is in a ~~public~~  
5 ~~corporation~~ *business* that directly or indirectly owns or operates a  
6 gambling business outside California, that owner shall not own  
7 or control, either directly or indirectly, more than 1 percent of the  
8 outstanding shares in that ~~corporation~~ *business*, or to in any way  
9 control that ~~corporation~~ *business*. It is not the intent of the  
10 Legislature to change the prohibitions in existing law that  
11 preclude a publicly traded corporation from owning an interest in  
12 a gambling establishment, except as currently provided for in  
13 Section 19852 or 19858 of the Business and Professions Code.

14 SEC. 2. Section 19858.5 is added to the Business and  
15 Professions Code, to read:

16 19858.5. ~~(a) Notwithstanding Section 19858, the commission~~  
17 ~~may, pursuant to this chapter, deem an applicant suitable to hold~~  
18 ~~a state gambling license to own gambling establishments, even if~~  
19 ~~the applicant has a financial interest in~~  
20 ~~another business that conducts lawful gambling outside the~~  
21 ~~interest in another business that conducts lawful gambling~~  
22 ~~outside the state that, if conducted within California, would be~~  
23 ~~unlawful, provided that owner may not own, either directly or~~  
24 ~~indirectly, more than a 1 percent interest in, or have control of,~~  
25 ~~that business if it is owned or operated either directly or~~  
26 ~~indirectly by a publicly held corporation.~~